

# State-funded financial aid in Washington



**House Higher  
Education Committee**  
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W A S H I N G T O N  
**H I G H E R  
E D U C A T I O N**  
C O O R D I N A T I N G   B O A R D

# **State-funded student financial aid in Washington**

- What is the state's policy regarding college affordability?
- How does the state provide financial assistance?
- Basics of the state's largest financial aid program
- Current State Need Grant issues

# The state's interest in college affordability

- RCW 28B.10.786 *“... financial need shall not be a barrier to participation in higher education.”*
- RCW 28B.15.065 *“It is the intent of the Legislature that needy students not be deprived of access to higher education due to increases in educational costs or consequent increases in tuition and fees.”*

# College costs include more than tuition

- Besides tuition, students must pay for books and living expenses
- Estimated costs for students who live away from home this year
  - **Community & technical colleges** **\$11,558**
  - **Public regional universities** **\$12,983**
  - **Public research universities** **\$14,065**
  - **Private colleges and universities** **\$28,364**

# The state strives to make college affordable in two ways

- **Funding support** to public colleges and universities
  - General-fund appropriations have helped maintain moderate tuition for all students
- **Direct assistance to students** with grants, work-study, scholarships and need-based tuition waivers
  - 10% of the state higher education appropriation goes to the HECB for financial aid. Also, colleges and universities use a portion of tuition revenue for student aid

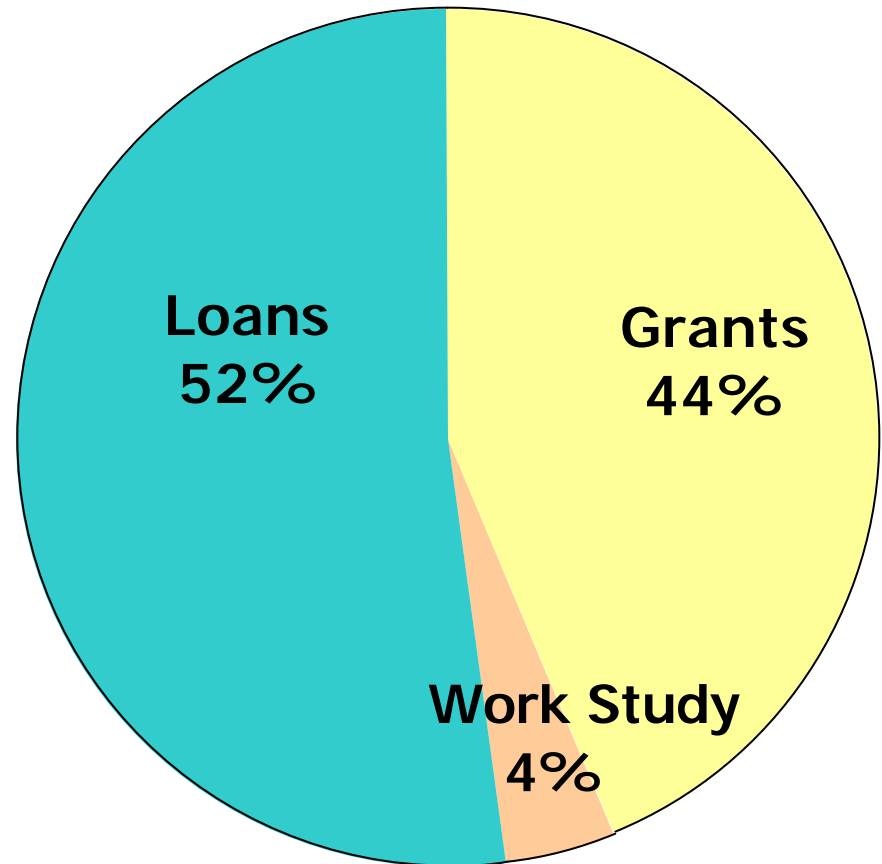
# **State aid complements federal student assistance**

- The HECB is directed in law to administer all state financial aid programs
- Students at more than 70 public and private institutions receive state aid
- The HECB coordinates state programs with federal aid programs to provide the maximum benefit to the state and students

# Of all financial aid, most is in the form of federal loans

In 2001-2002, \$1 billion in financial aid was awarded to 119,000 needy students at Washington colleges and universities

Most of this aid was in the form of federal loans



# Most state aid is from grants, primarily the State Need Grant

Major state financial aid programs	2002-03 funding in millions
• State Need Grant	\$104.9
• State Work Study	\$17.4
• Promise Scholarship	\$ 6.3
• Educational Opportunity Grant	\$ 2.9
• Washington Scholars	\$ 1.4
• Five other aid programs account for an additional \$1.8 million in state appropriations in 2002-03	



# State financial aid programs serve thousands of students

	<b>Students served</b>	<b>Award amounts</b>
• State Need Grant	52,000	\$1,900-\$4,000
• State Work Study	8,700	\$2,000-\$5,000
• Promise Scholarship	6,500	\$948
• Educational Opportunity Grant	1,100	\$2,500
• Washington Scholars	400	82% of tuition and fees

# Need Grant statewide goals

- A focus on **students, not institutions**
- Aid to **lowest-income students first**
- **Statewide consistency** – Similar eligibility for students of similar income and family size
- Grant amounts linked to **public tuition** rates
- **Students** bear a portion of costs and are required to make satisfactory progress toward degree
- **Coordination** – Assistance to students at their colleges coupled with statewide oversight

# **Need Grants are for resident undergraduates**

To receive a Need Grant, resident undergraduate students must:

- Have a family income no more than 55% of the state median (\$35,000 for a family of 4)**
- Be pursuing a degree or certificate**
- Make satisfactory academic progress**
- Attend at least half-time**

# **Maximum Need Grant amounts, 2002-03**

- Private colleges and universities \$4,032
- Public research institutions \$3,798
- Public regional universities \$3,026
- Community & technical colleges \$1,908
- Private career colleges \$1,908

**Students with documented dependent care expenses may  
receive an additional \$643**

**The 2002 supplemental budget enhancement covered 70% of  
the tuition increases authorized for 2002-03**

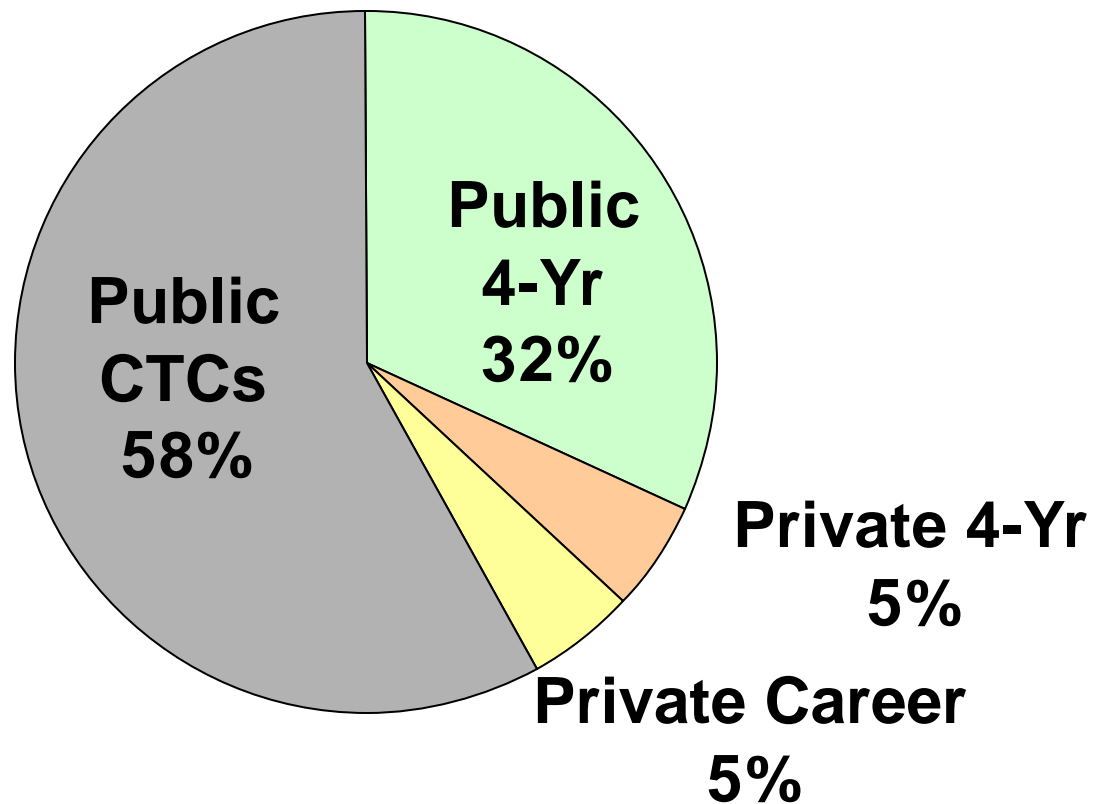
# **Need Grant spending reflects two key factors**

- The number of eligible students based on family income
  - The higher the income limit, the more students who are eligible
  - This year's limit is 55% of median family income
- The amount of the individual student's grant
  - Grant amounts are based on the expected number of eligible students and related factors

# **Who receives State Need Grants?**

- **61% female, 39% male**
- **89% enrolled full-time**
- **33% depend on family support (average income \$22,400)**
- **67% are independent (average income \$12,000)**
- **28% racial or ethnic minorities**
- **Median age 24**

# **Most Need Grant students attend public 2-year colleges**



# Need Grant issues

- **Tuition-based grants** – Should the state retain its goal of grant amounts equivalent to public tuition rates?
- **Dependent care** – Should students be reimbursed only for documented expenses or in recognition of higher living costs?
- **Service level v. grant amounts** – Should the state increase the current income cut-off (and serve more students) before increasing grant amounts?



# Need Grant issues

- **New programs v. preservation of basic opportunity grants** – Creation and funding of new, often narrowly targeted, student aid programs must be weighed against preserving the basic opportunity represented by the Need Grant
- **Multiple associate degrees** – Is the limit of one associate degree within five years too restrictive for students with technical AA degrees?